

December 17, 2010

George Beattie  
President  
San Jose Police Officers' Association (SJPOA)  
1151 North Fourth Street  
San Jose, CA 95112

**RE: City/POA Negotiations**

Dear George:

As you know, the City is again facing a significant budget shortfall for Fiscal Year 2011-2012. On November 18, 2010, at a Special Council meeting, the City Council approved the following direction for labor negotiations. As noted at the Council meeting, negotiations over these items are subject to the meet and confer process.

- Achieve an additional 9.33% in an ongoing total compensation reduction upon expiration of the 3.15% one-time total compensation reduction for Fiscal Year 2010-2011
- Sick Leave Payout Reform
- Compensation Structure Reform
- Retirement Reform
- Workers' Compensation Offset in the Police and Fire Retirement Plan

In addition to this direction, the City Council also approved the following guiding principles for labor negotiations. More detailed information regarding these guiding principles can be found at [http://www.sanjoseca.gov/clerk/Agenda/20101118/20101118\\_0303a1sup.pdf](http://www.sanjoseca.gov/clerk/Agenda/20101118/20101118_0303a1sup.pdf).

1. Commence Negotiations in January 2011
2. Continue Using a Total Compensation Approach
3. Savings Must be Achievable & Verifiable in Fiscal Year 2011-2012
4. Reductions in City Jobs and Services Do Not Reduce Per Employee Costs
5. Avoid Adverse Impact to Retirement Systems
6. Consider Inter-Relationship of Variations by Bargaining Unit
7. Transparency in Negotiations
8. Availability of Information Requests and Responses to be Public
9. Inclusion of Operational and Other Contractual Issues

Pursuant to the current agreement between the City and POA, which expires on June 30, 2011, it is mutually agreed that the first meeting of the parties will be held no later than twenty (20) calendar days after the City or Association receives notice from the other, which may be any date after January 1 of the year in which the current contract terminates.

Given the significant issues that we will be discussing in negotiations, we would like to begin as early as possible in January. We propose that the first meeting occur the week of January 10<sup>th</sup>.

Since it will be our first meeting, we propose scheduling the meeting for two hours. Please let us know your availability during the week of January 10<sup>th</sup>.

As you may be aware, the City's Employer-Employee Relations Resolution provides for paid release time for up to three (3) representatives to attend these negotiation meetings. Please let us know the names of the employees that will be participating in the negotiations. We will ensure the employees are provided release time to attend the scheduled meetings.

Should you have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read 'AG', with a long horizontal flourish extending to the right.

Alex Gurza  
Director of Employee Relations

c: Gina Donnelly, Deputy Director of Employee Relations  
Jim Unland, SJPOA Vice President  
Franco Vado, SJPOA CFO  
John Tennant, SJPOA General Counsel